

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 IO-14 AF-10 ARA-14 EA-12  
NEA-10 AGRE-00 CIAE-00 COME-00 INR-10 LAB-04  
NSAE-00 SP-02 STR-07 TRSE-00 FRB-01 OMB-01 OIC-02  
SS-15 NSC-05 /128 W

-----046615 152220Z /43

R 141748Z JUL 78  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC 8159

UNCLAS SECTION 01 OF 02 LONDON 11174

E.O. 11652: N/A  
TAGS: EPAP, ETRD, ICO  
SUBJECT: COFFEE -- DECISIONS OF THE INTERNATIONAL COFFEE  
ORGANIZATION EXECUTIVE BOARD OF JUNE 22 AND 23,  
1978

REF: PILKAUSKAS/DERHAM TELCON AND A-399 7/13/78

1. IN ORDER TO PERMIT PREPARATIONS TO PROCEED FOR FOR-  
THCOMING ICO MEETINGS, THE FOLLOWING EXCERPTS COVERING  
THE MOST IMPORTANT PORTIONS OF ICO DOCUMENT EB 1621/78  
COVERING DECISIONS ADOPTED AT THE COFFEE EXECUTIVE  
BOARD IS TRANSMITTED BELOW:  
"ITEM 4: SYSTEM OF INDICATOR PRICES.  
6. AT ITS 110TH MEETING HELD ON 9 AND 10 MAY 1978 THE  
BOARD TOOK NOTE OF A STATEMENT BY THE EXECUTIVE DIRECTOR

THAT THE USE OF INFORMATION FROM MARKETS OTHER THAN NEW  
YORK TO EXPAND THE BASE FOR CALCULATING INDICATOR PRICES  
WAS BECOMING A MATTER OF URGENCY AND, IN THE LIGHT OF  
ITS DISCUSSION THEREON, ADOPTED THE DECISIONS SET OUT IN  
PARAGRAPHS 7, 8 AND 9 OF DOCUMENT EB-1618/78.

7. WITH REFERENCE TO SPECIFIC MATTERS RAISED IN PARA-  
GRAPH 7 OF DOCUMENT EB 1618/78, THE EXECUTIVE DIRECTOR  
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INFORMED THE BOARD THAT:  
(A) PROCEDURES FOR THE COLLECTION, TRANSMISSION AND CAL-  
CULATION OF THE DAILY INDICATOR PRICES OF OTHER  
MILDS ON THE BREMEN AND HAMBURG MARKET, SIMILAR TO  
THOSE CONTAINED IN DOCUMENT EB-1431/76 REV. 1 FOR  
THE INDICATOR PRICE SYSTEM AT PRESENT IN FORCE, HAD  
BEEN PREPARED AND WERE BEING SENT TO THE TRADE ASS-

OCIATIONS IN BREMEN AND HAMBURG FOR THEIR COMMENTS;  
(B) DISCUSSIONS HAD BEEN HELD WITH THE NETHERLANDS COFF-  
EE ASSOCIATION CONCERNING THE POSSIBILITY OF OBTAIN-  
ING FROM THE AMSTERDAM AND ROTTERDAM MARKETS ON A  
DAILY BASIS, INSTEAD OF MONTHLY AS AT PRESENT, EX-  
DOCK PRICES FOR REPRESENTATIVE TYPES OF ROBUSTAS  
BASED ON A SUFFICIENT VOLUME OF COFFEE TRADED.  
THOUGH IT WOULD APPEAR THAT IT MAY BE DIFFICULT TO  
OBTAIN PRICES ON A DAILY BASIS, DISCUSSIONS ARE CONTIN-  
UING;

(C) THE POSSIBILITY IS BEING EXAMINED OF OBTAINING DAILY  
EX-DOCK QUOTATIONS FOR ROBUSTAS FROM MARKETS IN  
FRANCE.

8. IN THE LIGHT OF AN EXAMINATION OF THE DOCUMENTS CIR-  
CULATED AND OF THE STATEMENTS MADE, THE BOARD RECOGNIZED  
THAT IT MAY BE NECESSARY TO REFER CERTAIN OF THE MATTERS  
UNDER CONSIDERATION TO THE WORKING GROUP ON INDICATOR  
PRICES WHEN THE APPROPRIATE INFORMATION BECOMES AVAIL-  
ABLE.

9. PENDING FURTHER CONSIDERATION OF THESE MATTERS AT ITS  
NEXT MEETING, THE BOARD DECIDED:

(A) TO TAKE NOTE OF THE DOCUMENTS CIRCULATED AND OF THE  
PROGRESS REPORTS ON DISCUSSIONS WITH THE TRADE  
ASSOCIATIONS IN THE FEDERAL REPUBLIC OF GERMANY,  
FRANCE AND THE NETHERLANDS;

(B) TO REQUEST THE EXECUTIVE DIRECTOR TO CONTINUE TO  
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COLLECT INFORMATION ON THE PRICE OF ROBUSTA COFFEE  
ON THE MARKETS IN FRANCE, THE NETHERLANDS AND THE  
UNITED KINGDOM AND ON THE PRICE OF OTHER ROBUSTA  
COFFEE ON THE NEW YORK MARKET (THAT IS TO SAY, GROWTHS  
OTHER THAN THOSE USED IN THE INDICATOR PRICE SYSTEM)  
AND TO REPORT TO THE BOARD ON THE AVAILABILITY THEREOF;  
(C) TO REQUEST THE EXECUTIVE DIRECTOR TO MAKE AVAILABLE  
AS SOON AS POSSIBLE THE PROCEDURES FOR THE COLLECTION,  
TRANSMISSION AND CALCULATION OF THE DAILY INDICATOR  
PRICES OF OTHER MILDS ON THE BREMEN AND HAMBURG MARKETS  
AND, IN ADDITION TO PREPARE A WORKING PAPER ILLUSTRATING  
THE POSSIBLE EFFECTS OF INCLUDING QUOTATIONS FOR OTHER  
MILD ARABICAS FROM THE BREMEN AND HAMBURG MARKETS IN THE  
INDICATOR PRICE SYSTEM;

(D) WITH REFERENCE TO THE COLLECTION AND CALCULATION OF  
THE DAILY PRICES OF ROBUSTAS ON THE NEW YORK MARKET FOR  
USE IN THE INDICATOR PRICE SYSTEM, TO AUTHORISE THE  
EXECUTIVE DIRECTOR TO INTERPRET FLEXIBLY THE PROVISIONS  
OF THE PROCEDURES CONTAINED IN DOCUMENT EB-1431/76 REV.1  
IN RESPECT OF THE DEFINITION OF PROMPT SHIPMENT (SEE SUB-  
-PARAGRAPH (A) OF PARAGRAPH 6 OF THE DOCUMENT) AND OF  
THE MINIMUM NUMBER OF QUOTATIONS TO BE SOUGHT FOR EACH

OF THE GROWTHS (SEE PARAGRAPH 9 OF THE DOCUMENT).  
RELATION BETWEEN ICO DAILY INDICATOR PRICES AND PRICES

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NEA-10 AGRE-00 CIAE-00 COME-00 INR-10 LAB-04  
NSAE-00 SP-02 STR-07 TRSE-00 FRB-01 OMB-01 OIC-02  
NSC-05 SS-15 /128 W  
-----049273 152220Z /70

R 141748Z JUL 78  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC 8160

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ON THE TERMINAL MARKETS IN LONDON AND NEW YORK.  
10. THE BOARD TOOK NOTE OF A STATEMENT BY THE DELEGATE  
OF BRAZIL ON APPARENT DISCREPANCIES IN CERTAIN PERIODS  
BETWEEN ICO DAILY INDICATOR PRICES AND PRICES ON THE  
TERMINAL MARKETS IN LONDON AND NEW YORK. THE EXECUTIVE  
DIRECTOR UNDERTOOK TO INVESTIGATE THIS MATTER AND DIS-  
CUSS IT WITH THE DELEGATE OF BRAZIL.

ITEM 5. SYSTEM OF CERTIFICATES OF ORIGIN

11. THE EXECUTIVE DIRECTOR, AS CHAIRMAN OF THE WORKING  
GROUP, INFORMED THE BOARD THAT THE GROUP HAD COMPLETED  
ITS WORK. THIS HAD BEEN DONE ON THE DAY PRIOR TO THE  
MEETING OF THE BOARD AND, DUE TO LACK OF TIME, IT HAD NOT  
BEEN POSSIBLE TO SUBMIT TO THE BOARD THE FINAL REPORT OF  
THE GROUP. HOWEVER, SASDRAFT REPORT (BOARD WORKING PAPER  
NUMBER 205) WAS CIRCULATED INDICATING THE AMENDMENTS  
WHICH THE GROUP WAS PROPOSING TO THE DRAFT RULES FOR  
THE APPLICATION OF A SYSTEM OF CERTIFICATES OF ORIGIN  
WHEN QUOTAS ARE IN EFFECT AND THE MATTERS WHICH THE  
GROUP WAS REFERRING TO THE EXECUTIVE BOARD FOR CONSIDER-  
ATION.

12. IN THE LIGHT OF THE DISCUSSIONS AND COMMENTS  
ON THESE MATTERS, THE BOARD DECIDED:

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(A) TO TAKE NOTE OF THE REPORT OF THE GROUP AS AMENDED;

(B) TO REQUEST THE EXECUTIVE DIRECTOR:

(I) TO CIRCULATE AS SOON AS POSSIBLE THE REPORT OF  
THE GROUP AND THE TEXT OF THE DRAFT RULES IN-  
CLUDING THE AMENDMENTS PROPOSED BY THE GROUP;

(II) TO CONTINUE CONSULTATIONS WITH THE EUROPEAN  
ECONOMIC COMMUNITY CONCERNING THE PENDING  
MATTERS REFERRED TO IN THE REPORT OF THE GROUP  
AND TO INFORM THE BOARD ABOUT THESE CONSULTAT-  
IONS AND PROVIDE IT WITH ANY RELEVANT INFORMA-  
TION THEREON.

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## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Control Number:** n/a  
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**Draft Date:** 14 jul 1978  
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**Disposition Action:** n/a  
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**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
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**Drafter:** n/a  
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**To:** STATE  
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